

## Message Text

CONFIDENTIAL

PAGE 01 PEKING 01341 060943Z

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ACTION EA-14

INFO OCT-01 ISO-00 SPC-03 AID-20 EB-11 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

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SAJ-01 NSCE-00 /165 W

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R 060900Z NOV 73

FM USLO PEKING

TO SECSTATE WASHDC 943

INFO AMCONSUL HONG KONG

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E.O. 11652: GDS

TAGS: BEXP, CH

SUBJECT: NCUSCT DELEGATION VISIT TO CHINA

SUMMARY. THE DELEGATION FROM THE NATIONAL COUNCIL FOR U.S. - CHINA TRADE (NCUSCT) RECEIVED A WARM RECEPTION FROM THEIR CHINESE HOSTS, THE CHINA COUNCIL FOR THE PROMOTION OF INTERNATIONAL TRADE (CCPIT). IN SUBSTANTIVE TALKS SO FAR, THE NCUSCT INDICATED FIVE AREAS ON WHICH IT HOPES TO OBTAIN SOME MEASURE OF AGREEMENT FROM THE CHINESE DURING THE VISIT, INCLUDING PRINCIPALLY THE EXCHANGE OF TRADE MISSIONS. THE CHINESE SIDE WAS CLEARLY IMPRESSED BY THE EXCELLENT NCUSCT PRESENTATION AND THE EXTENT OF NCUSCT'S TRADE PROMOTION INTERESTS, BUT HAS NOT YET INDICATED HOW RESPONSIVE THEY MAY BE TO THE NCUSCT PROPOSALS. THE NCUSCT DELEGATION IS SCHEDULED TO CALL ON THE MINISTER OF FOREIGN TRADE ON NOVEMBER 8. END SUMMARY.

1. NCUSCT DELEGATION, WHICH ARRIVED IN PRC ON NOVEMBER 4 AS SCHEDULED, RECEIVED A WARM WELCOME FROM THE HOST ORGANIZATION, CCPIT. THE DELEGATION WAS MET AT SHUMCHUN AND

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PEKING 01341 060943Z

ESCORTED TO KWANGCHOW AIRPORT BY THE LOCAL BRANCH OF THE CCPIT.

IN PEKING, THEY WERE GREETED BY WANG YAO-T'ING AND LI YUNG-TING, PRESIDENT AND VICE-PRESIDENT OF CCPIT RESPECTIVELY, BY A HOST OF OTHER CCPIT OFFICIALS, AND BY REPS OF SEVERAL CHINESE FOREIGN TRADE CORPORATIONS. ROUGHLY SAME GROUP OF CHINESE OFFICIALS WAS PRESENT AT WELCOMING BANQUET HOSTED BY WANG ON EVENING OF NOVEMBER 5. CHINESE MEDIA TREATMENT SO FAR HAS BEEN LIMITED TO A PERFUNCTORY ITEM ABOUT THE GROUP'S ARRIVAL IN THE NOVEMBER 5 PEOPLE'S DAILY.

2. MEETINGS WITH CCPIT ON NOVEMBER 5 WERE BRIEF AND NON-SUBSTANTIVE, AND DEVOTED TO DISCUSSION OF ITINERARY AND TO INTRODUCTIONS OF REPS ON BOTH SIDES OF THE TABLE. NCUSCT DELEGATION WAS PLEASED TO LEARN THAT CCPIT PLANS A CALL BY THE DELEGATION ON THE MINISTER OF FOREIGN TRADE ON NOVEMBER

8. WANG AND LI ARE LEADING THE CCPIT DELEGATION IN THE TALKS. OTHERS ON THE CHINESE SIDE INCLUDE VARIOUS CCPIT OFFICIALS, PLUS LI SHU-TE, DEPUTY DIRECTOR OF THE THIRD BUREAU (AMERICA AND WEST EUROPE) OF THE MINISTRY OF FOREIGN TRADE, AND ONE OBSERVER FROM THE MINISTRY OF FOREIGN AFFAIRS. THE CHINESE SAID THEY WOULD CALL IN OTHER ECONOMIC OFFICIALS AS MAY BE REQUIRED. THE U.S. SIDE IS COMPRISED OF THOSE PERSONS LISTED IN STATE 203550, PLUS USLO OFFICER HOROWITZ. THE NCUSCT DELEGATION ATTENDED A BRIEFING AND LUNCH HOSTED BY MR. BRUCE, ALSO ON NOVEMBER 5.

3. AT FIRST SUBSTANTIVE MEETING WHICH WAS HELD NOVEMBER 6, THE NCUSCT DELEGATION, WITH EACH MEMBER MAKING A CONTRIBUTION, PROVIDED A VERY BROAD BUT WELL THOUGHT OUT PRESENTATION COVERING THE WHOLE SPECTRUM OF PROBLEMS, OPPORTUNITIES AND POSSIBLE TRADE PROMOTION ACTIVITIES WHICH NCUSCT AND CCPIT COULD UNDERTAKE TOGETHER. TOPICS INCLUDED FACILITATION OF US IMPORTS OF CHINESE GOODS, RECIPROCAL EXCHANGES OF TRADE MISSIONS AND EXHIBITIONS, BANKING AND FINANCE MATTERS, AGRICULTURE, LEGAL MATTERS (CONTRACTS, ARBITRATION PROCEDURES AND INDUSTRIAL PROPERTY RIGHTS), ENERGY RESOURCES, AND TRANSPORTATION.

4. NOVEMBER 6 MEETING CONCLUDED WITH SUMMARY BY NCUSCT DELEGATION CHIEF BURNHAM OF FIVE SUBJECTS ON WHICH NCUSCT HOPES TO OBTAIN CCPIT AGREEMENT DURING THIS VISIT : (A) RECIPROCAL

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PAGE 03 PEKING 01341 060943Z

EXCHANGES OF TECHNICAL, SALES, AND MARKETING MISSIONS; (B) EXCHANGES OF EXHIBITIONS (COMPREHENSIVE AND/OR SPECIALIZED); (C) PROCEDURES TO EXCHANGE TECHNICAL AND ECONOMIC INFORMATION, ESPECIALLY AS RELATED TO MARKETING; (D) INITIATION OF DISCUSSIONS ON SUCH MATTERS AS DISPUTE SETTLEMENT, INSURANCE, AND STANDARD CONTRACT LANGUAGE; (E) ESTABLISHMENT OF DIRECT CONTACTS BETWEEN CCPIT AND NCUSCT ON A REGULAR BASIS.

5. CCPIT WILL RESPOND AT NOVEMBER 7 MEETING. ALTHOUGH THE CHINESE WERE INFORMED IN ADVANCE OF THE GENERAL OUTLINE OF WHT NCUSCT PLANNED TO DISCUSS, THEY WERE CLEARLY IMPRESSED BY THE CAREFULLY PREPARED NCUSCT PRESENTATION AND BY THE BREADTH OF THE NCUSCT'S INTERESTS. THEY HAVE GIVEN NO INDICATION, HOWEVER, OF HOW RESPONSIVE THEY MAY BE.

6. THE NCUSCT DELEGATION IS REALISTIC IN ITS EXPECTATIONS AND DOES NOT BELIEVE THE CHINESE WILL REPLY FAVORABLY TO ALL THE IDEAS AND PROPOSALS MADE. THEY HOPE, HOWEVER, TO COME AWAY WITH SOMETHING CONCRETE TO SHOW THE NCUSCT MEMBERSHIP, AND ARE PARTICULARLY HOPEFUL OF OBTAINING AGREEMENT FOR AN EARLY VISIT TO THE U.S. OF A CCPIT DELEGATION AND FOR CHINESE AGREEMENT ON SOME TRADE MISSION EXCHANGES IN 1974.

7. ITINERARY CALLS FOR TRAVEL TO SHANGHAI ON NOVEMBER 9, TO HANGCHOW ON NOVEMBER 12, TO KWANGCHOW ON NOVEMBER 13, AND TO HONG KONG ON NOVEMBER 16 (ALTHOUGH PHILLIPS AND ONE OR TWO OTHERS MAY EXIT CHINA ON NOVEMBER 15).

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